

Message Text

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ACTION EUR-12

INFO OCT-01 EA-06 ISO-00 EURE-00 AID-05 CEA-01 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02

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P R 021247Z JUL 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 9189

INFL ALL EC CAPITALS 849

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

LIMITED OFFICIAL USE EC BRUSSELS 5998

DEPT. PASS TO TREASURY FOR PELIKAN AND EXIMBANK FOR MINIKES

E.O. 11652: N/A

TAGS: EFIN, EEC

SUBJECT: EXPORT CREDIT GENTLEMEN'S AGREEMENT -- PROPOSED SUP-
PLEMENTS TO THE FRG COMPROMISE

REF: EC BRUSSELS 5997

1. SUMMARY: THIS MESSAGE TRANSMITS THE TEXT OF
SUPPLEMENTS TO THE FRG COMPROMISE FOR AN EXPORT CREDIT
GENTLEMEN'S AGREEMENT. AS SET FORTH IN SEPTTEL, THESE SUPPLEMENTS
WERE PREPARED BY EC OFFICIALS AND REFLECT THE RESULTS OF
THEIR DISCUSSIONS IN WASHINGTON ON JUNE 24-25. THE EC
TENTATIVELY PLANS TO CONSIDER THESE SUPPLEMENTS ON
JULY 9, IF BEFORE THAT DATE THE US INDICATES
ACCEPTANCE OF THEM. END SUMMARY.

2. BEGIN TEXT:

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PROPOSED SUPPLEMENTS TO GEBERTH (FRG) COMPROMISE

I. MATURITIES

1. EXPORT CREDITS BENEFITING FROM OFFICIAL
SUPPPORT (DEFINITION: WORKING PAPER NO. 4) SHALL
NOT EXCEED:

- I 5 YEARS FOR COUNTRIES WITH PER CAPITA
GNP OF MARE THAN \$3,000;
- II 8 1/2 YEARS FOR COUNTRIES WITH PER
CAPPITA GNP BETWEEN \$1,000 AND \$3,000;
- III 10 YEARS FOR COUNTRIES WITH PER CAPITA
GNP OF LESS THAN \$1,000.

2. HOWEVER, SUBJECT TO 30 DAYS ADVANCE NOTICE
AND OPPORTUNITY FOR PRIOR CONSULTATION IF REQUIRED,
THEN IN THE CASE OF EQUIPMENT LISTED IN ANNEX (A)
EXPORT CREDITS MAY BE EXTENDED:

- I TO 8 1/2 YEARS FOR COUNTRIES WITH PER
CAPITA GNP OF MORE THAN \$3,000;
- II TO 10 YEARS FOR COUNTRIES WITH PER
CAPITA GNP OF BETWEEN \$1,000 AND
\$3,000;
- III TO 12 YEARS FOR COUNTRIES WITH PER
CAPITA GNP OF LESS THAN \$1,000 AND, ONLY
IN EXCEPTIONAL CASES, FOR OTHER COUNTRIES.

3. IN THE EVENT OF A MAJOR TECHNOLOGICAL OR OTHER
DEVELOPMENT RENDERING THE ABOVE STANDARDS INAPPRO-
PRIATE FOR A PARTICULAR PURPOSE, THEY SHALL BE
REVISED IN CONSULTATION BETWEEN THE PARTIES.

II. DEVELOPMENT AID

1. THE PROVISIONS OF THIS AGREEMENT SHALL NOT APPLY TO
DEVELOPMENT AID TRANSACTIONS.

2. TRANSACTIONS WHICH ARE CONSIDERED AS DEVELOPMENT AID
ARE:

- OFFICIAL DEVELOPMENT ASSISTANCE (ODA) SUBJECT TO
RULES AND PROCEDURES OF THE DAC (1) OR
- TRANSACTIONS FINANCED WHOLLY OR IN PART FROM OTHER
FUNDS THAN ODA BUT WHICH A PARTY CONSIDERS TO BE

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DEVELOPMENT MOTIVATED, OR
ANY OTHER FORM OF OFFICIAL ASSISTANCE ON TERMS WITH A
GRANT ELEMENT OF 25 PERCENT OR MORE.

3. NOTWITHSTANDING THE ABOVE, SUCH TRANSACTIONS ON TERMS
INVOLVING A GRANT ELEMENT OF BETWEEN 25 PERCENT AND 15 PERCENT AS
DEFINED BY THE DAC SHALL BE THE SUBJECT OF PRIOR NOTIFICATION
BETWEEN THE PARTIES: SUCH TRANSACTIONS ON TERMS INVOLVING A GRANT

ELEMENT OF LESS THAN 15 PERCENT SHALL BE THE SUBJECT OF 30 DAYS
ADVANCE NOTICE AND OPPORTUNITY FOR PRIOR CONSULTATION IF REQUIRED.
THE PARTIES UNDERTAKE TO EXMINE WITHIN THE APPROPRIATE FORUMS THE
QUESTIONS OF A DEMARCATION BETWEEN COMMERCIAL CREDITS AND AID
CREDITS.

ANNEX A

NON-NUCLEAR POWER PROJECTS (THERMAL OR HYDRO)

STEEL PLANT PROJECTS (MILLS)

SMELTERS

LNG PROJECTS

PETRO-CHEMICAL PROJECTS

OIL REFINERIES

OIL DRILLING RIGS

LOCOMOTIVES

MINING PROJECTS

(1) ITALIAN POSITION AS IN FOOTNOTE IN WORKING PAPER NO. 4.
END TEXT. GREENWALD

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